

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. AC-2008-16

JACK FRANCIS van HAASTER
24641 Washington Avenue
Murrieta, CA 92562-8200

Certified Public Accountant Certificate
No. 34130

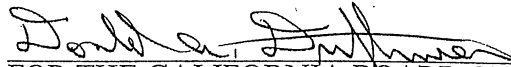
Respondent.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on October 26, 2008.

It is so ORDERED September 26, 2008.



FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

1 EDMUND G. BROWN JR., Attorney General
of the State of California
2 LINDA K. SCHNEIDER
Supervising Deputy Attorney General
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9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. AC-2008-16

13 JACK FRANCIS van HAASTER
24641 Washington Avenue
14 Murrieta, CA 92562-8200

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

15 Certified Public Accountant Certificate
16 No. 34130

17 Respondent.

18
19 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the
20 above-entitled proceedings that the following matters are true:

21 PARTIES

22 1. Daniel Rich (Complainant) is the Acting Executive Officer of the
23 California Board of Accountancy. He brought this action solely in his official capacity and is
24 represented in this matter by Edmund G. Brown Jr., Attorney General of the State of California,
25 by Rita M. Lane, Deputy Attorney General.

26 2. Respondent Jack Francis van Haaster is representing himself in this
27 proceeding and has chosen not to exercise his right to be represented by counsel.

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3. On or about January 29, 1982, the California Board of Accountancy issued Certified Public Accountant Certificate No. 34130 to Jack Francis van Haaster (Respondent). The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought in Accusation No. AC-2008-16 and will expire on March 31, 2009, unless renewed.

JURISDICTION

4. Accusation No. AC-2008-16 was filed before the California Board of Accountancy (Board), Department of Consumer Affairs, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on July 1, 2008. Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation No. AC-2008-16 is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, and understands the charges and allegations in Accusation No. AC-2008-16. Respondent has also carefully read, and understands the effects of this Stipulated Settlement and Disciplinary Order.

6. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at his own expense; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

8. Respondent admits the truth of each and every charge and allegation in Accusation No. AC-2008-16.

9. Respondent agrees that his Certified Public Accountant Certificate is subject to discipline and he agrees to be bound by the Board's imposition of discipline as set forth in the Disciplinary Order below.

CONTINGENCY

10. This stipulation shall be subject to approval by the California Board of Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of the California Board of Accountancy may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondent. By signing the stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.

11. The parties understand and agree that facsimile copies of this Stipulated Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same force and effect as the originals.

12. In consideration of the foregoing admissions and stipulations, the parties agree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. 34130 issued to Respondent Jack Francis van Haaster is revoked. However, the revocation is stayed and Respondent is placed on probation for three (3) years on the following terms and conditions.

1. **Obey All Laws.** Respondent shall obey all federal, California, other states' and local laws, including those rules relating to the practice of public accountancy in California.

- 1 2. **Submit Written Reports.** Respondent shall submit, within ten (10) days
2 of completion of the quarter, written reports to the Board on a form obtained from the Board.
3 The Respondent shall submit, under penalty of perjury, such other written reports, declarations,
4 and verification of actions as are required. These declarations shall contain statements relative to
5 Respondent's compliance with all the terms and conditions of probation. Respondent shall
6 immediately execute all release of information forms as may be required by the Board or its
7 representatives.
- 8 3. **Personal Appearances.** Respondent shall, during the period of probation,
9 appear in person at interviews/meetings as directed by the Board or its designated
10 representatives, provided such notification is accomplished in a timely manner.
- 11 4. **Comply With Probation.** Respondent shall fully comply with the terms
12 and conditions of the probation imposed by the Board and shall cooperate fully with
13 representatives of the Board of Accountancy in its monitoring and investigation of the
14 Respondent's compliance with probation terms and conditions.
- 15 5. **Practice Investigation.** Respondent shall be subject to, and shall permit,
16 practice investigation of the Respondent's professional practice. Such a practice investigation
17 shall be conducted by representatives of the Board, provided notification of such review is
18 accomplished in a timely manner.
- 19 6. **Comply With Citations.** Respondent shall comply with all final orders
20 resulting from citations issued by the Board of Accountancy.
- 21 7. **Tolling of Probation For Out-of-State Residence/Practice.** In the event
22 Respondent should leave California to reside or practice outside this state, Respondent must
23 notify the Board in writing of the dates of departure and return. Periods of non-California
24 residency or practice outside the state shall not apply to reduction of the probationary period, or
25 of any suspension. No obligation imposed herein, including requirements to file written reports,
26 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
27 affected by such periods of out-of-state residency or practice except at the written direction of the
28 Board.

8. **Violation of Probation.** If Respondent violates probation in any respect, the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is filed against Respondent during probation, the Board shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.

9. **Completion of Probation.** Upon successful completion of probation, Respondent's license will be fully restored.

10. **Ethics Course/Examination.** Respondent shall take and pass with a score of 90 percent or better a Board approved ethics examination within one year of the effective date of this Decision.

If Respondent fails to pass said examination within the time period provided or within two attempts, Respondent shall so notify the Board and shall cease practice until Respondent takes and successfully passes said exam, has submitted proof of same to the Board, and has been notified by the Board that he may resume practice. Failure to pass the required examination no later than 100 days prior to the termination of probation shall constitute a violation of probation.

Notwithstanding any other provision of this probation, failure to take and pass this examination within five years of the effective date of this order constitutes a separate cause for discipline of Respondent's license.

11. **Cost Reimbursement.** Respondent shall reimburse the Board \$6,500.00 for its investigation and prosecution costs. Payments shall be made as follows: in quarterly payments, due with quarterly written reports, the final payment being due one year before probation is scheduled to terminate.

ACCEPTANCE

I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the stipulation and the effect it will have on my Certified Public Accountant Certificate. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly,

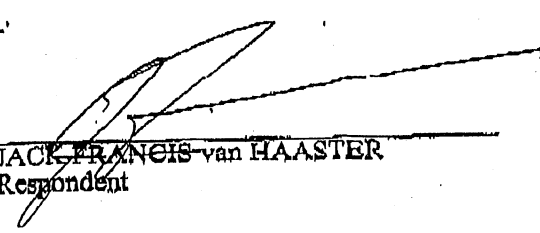
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1 and intelligently, and agree to be bound by the Decision and Order of the California Board of
2 Accountancy.

3 DATED: 7-24-08

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5 
6 JACK FRANCIS van HAASTER
Respondent


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8
9 ENDORSEMENT

10 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
11 submitted for consideration by the California Board of Accountancy of the Department of
12 Consumer Affairs.

13 DATED: 7-24-08

14 EDMUND G. BROWN JR., Attorney General
of the State of California

15 LINDA K. SCHNEIDER
16 Supervising Deputy Attorney General

17 

18
19 RITA M. LANE
Deputy Attorney General

20 Attorneys for Complainant
21
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24
25

Exhibit A

Accusation No. AC-2008-16

1 EDMUND G. BROWN JR., Attorney General
of the State of California

2 LINDA K. SCHNEIDER
Supervising Deputy Attorney General

3 RITA M. LANE, State Bar No. 171352
Deputy Attorney General

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8

9 Attorneys for Complainant

10
11 **BEFORE THE**
12 **CALIFORNIA BOARD OF ACCOUNTANCY**
13 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

14 In the Matter of the Accusation Against:

Case No. AC-2008-16

15 JACK FRANCIS Van HAASTER
24641 Washington Avenue
16 Murrieta, CA 92562

A C C U S A T I O N

17 Certified Public Accountant
Certificate No. 34130

18 Respondent.
19

20 Complainant alleges:

21 PARTIES

22 1. Carol Sigmann (Complainant) brings this Accusation solely in her official
23 capacity as the Executive Officer of the California Board of Accountancy, Department of
24 Consumer Affairs.

25 2. On or about January 29, 1982, the California Board of Accountancy issued
26 Certified Public Accountant (CPA) Certificate Number 34130 to Jack Francis Van Haaster
27 (Respondent). Said certificate expired and was not valid for failure to pay renewal fees and
28 submit declarations of compliance with continuing education requirements during the following

1 time periods: April 1, 1997 through January 4, 1998, April 1, 1999 through July 18, 2001, April
2 1, 2005 through August 14, 2005, and April 1, 2007 through August 21, 2007. Said certificate
3 has been renewed for the period August 22, 2007 through March 31, 2009 and will expire on
4 April 1, 2009, unless renewed.

5 JURISDICTION

6 3. This Accusation is brought before the California Board of Accountancy
7 (Board), Department of Consumer Affairs, under the authority of the following laws. All section
8 references are to the Business and Professions Code unless otherwise indicated.

9 4. Code section 5100 states:

10 After notice and hearing the board may revoke, suspend, or refuse to
11 renew any permit or certificate granted under Article 4 (commencing with Section
12 5070) and Article 5 (commencing with Section 5080), or may censure the holder
of that permit or certificate for unprofessional conduct that includes, but is not
limited to, one or any combination of the following causes:

13 (a) Conviction of any crime substantially related to the qualifications,
14 functions and duties of a certified public accountant or a public accountant.

15 . . .

16 (j) Knowing preparation, publication, or dissemination of false, fraudulent,
or materially misleading financial statements, reports, or information.

17 5. Code section 5106 states:

18 A plea or verdict of guilty or a conviction following a plea of nolo
19 contendere is deemed to be a conviction within the meaning of this article. The
20 record of the conviction shall be conclusive evidence thereof. The board may
21 order the certificate or permit suspended or revoked, or may decline to issue a
22 certificate or permit, when the time for appeal has elapsed, or the judgment of
23 conviction has been affirmed on appeal or when an order granting probation is
made, suspending the imposition of sentence, irrespective of a subsequent order
under the provisions of Section 1203.4 of the Penal Code allowing such person to
withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the
verdict of guilty or dismissing the accusation, information or indictment.

24 6. Code section 5107, subdivision (a), states:

25 The executive officer of the board may request the administrative law
26 judge, as part of the proposed decision in a disciplinary proceeding, to direct any
27 holder of a permit or certificate found to have committed a violation or violations
of this chapter to pay to the board all reasonable costs of investigation and
prosecution of the case. including, but not limited to, attorneys' fees.

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7. Code section 5109 of the Code states:

The expiration, cancellation, forfeiture, or suspension of a license, practice, privilege, or other authority to practice public accountancy by operation of law or by order or decision of the board or a court of law, or the voluntary surrender of a license by a licensee shall not deprive the board of jurisdiction to commence or proceed with any investigation of or action or disciplinary proceeding against the licensee, or to render a decision suspending or revoking the license.

8. Code section 490 of the Code states:

A board may suspend or revoke a license on the ground that the licensee has been convicted of a crime, if the crime is substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which a board is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code.

9. Section 493 of the Code states:

Notwithstanding any other provision of law, in a proceeding conducted by a board within the department pursuant to law to deny an application for a license or to suspend or revoke a license or otherwise take disciplinary action against a person who holds a license, upon the ground that the applicant or the licensee has been convicted of a crime substantially related to the qualifications, functions, and duties of the licensee in question, the record of conviction of the crime shall be conclusive evidence of the fact that the conviction occurred, but only of that fact, and the board may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline or to determine if the conviction is substantially related to the qualifications, functions, and duties of the licensee in question.

10. California Code of Regulations (CCR), title 16, section 99 states:

For the purposes of denial, suspension, or revocation of a certificate or permit pursuant to Division 1.5 (commencing with section 475) of the Business and Professions Code, a crime or act shall be considered to be substantially related to the qualifications, functions or duties of a certified public accountant or public accountant if to a substantial degree it evidences present or potential unfitness of a certified public accountant or public accountant to perform the functions authorized by his or her certificate or permit in a manner consistent with the public health, safety, or welfare. Such crimes or acts shall include but not be limited to those involving the following:

(a) Dishonesty, fraud, or breach of fiduciary responsibility of any kind;

....

1 11. CCR section 99.1 states:

2 When considering the denial of a certificate or permit under Section 480 of
3 the Business and Professions Code, the suspension or revocation of a certificate or
4 permit or restoration of a revoked certificate under Section 11522 of the
Government Code, the board, in evaluating the rehabilitation of the applicant and
his present eligibility for a certificate or permit, will consider the following
criteria:

5 (1) Nature and severity of the act(s) or offense(s).

6 (2) Criminal record and evidence of any act(s) committed subsequent to
7 the act(s) or offense(s) under consideration which also could be considered as
grounds for denial, suspension or revocation.

8 (3) The time that has elapsed since commission of the act(s) or offense(s)
9 referred to in subdivision (1) or (2).

10 (4) The extent to which the applicant or licensee has complied with any
11 terms of parole, probation, restitution, or any other sanctions lawfully imposed
against the applicant or licensee.

12 (5) If applicable, evidence of expungement proceedings pursuant to
13 Section 1203.4 of the Penal Code.

14 (6) Evidence, if any, of rehabilitation submitted by the applicant or
licensee.

15 FIRST CAUSE FOR DISCIPLINE

16 (Conviction of a Crime Substantially Related to the Qualifications,
17 Functions and Duties of a Certified Public Accountant)

18 12. Respondent has subjected his license to disciplinary action for
19 unprofessional conduct under Code sections 5100(a) and 490 in that he was convicted of a crime
20 substantially related to the qualifications, functions and duties of a certified public accountant.
21 The circumstances are as follows:

22 a. On September 21, 2007, Respondent pled guilty to violating counts 2 and
23 11 of the charges filed against him, Penal Code section 115 (Offering False Instrument for
24 Filing), a felony, and Government Code section 87100 (Public Official/Financial Interest), a
25 misdemeanor, in the criminal proceeding entitled *People v. Jack Francis Van Haaster*, in the
26 Riverside Superior Court, Case Number RIF 131837. On September 21, 2007, Respondent was
27 sentenced to three years formal probation; ordered to serve 30 days in county jail, to be served on

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1 consecutive weekends; perform 500 hours of community service; and ordered to pay a restitution
2 fine of \$9,000.

3 b. The circumstances of the crime relating to Count 2 (Offering False
4 Instrument for Filing) arose out of Respondent's actions while he was a member of the Murrieta
5 City Council. As a council member, Respondent was required to file a Form 700, Statement of
6 Economic Interests, with the City Clerk of Murrieta. Form 700 requires disclosure of certain
7 financial transactions for the year. On or about April 2, 2002, Respondent submitted his Form
8 700 for the year 2001, which contained false information as Respondent failed to disclose the
9 following information:

10 1. Unreported Loans - Respondent failed to disclose on Schedule D that he
11 received a loan from a source residing in or doing business in the City of Murrieta for the year
12 2001.

13 2. Unreported Loan Payments - Respondent failed to disclose on Schedule C
14 that he received a loan payment of \$500 or more from a source located in or doing business in the
15 City of Murrieta for the year 2001.

16 3. Unreported Financial Interests- Respondent failed to disclose on Schedules
17 A-1 and A-2 that he has a financial interest in his daughter's day care business located in the City
18 of Murrieta.

19 c. The circumstances of the crime relating to Count 11 (Public
20 Official/Financial Interest) arose in 2004 from Respondent being on the Murrieta City Council as
21 Mayor and voting on road improvements near a property in which he and his daughter had a
22 financial interest.

23 SECOND CAUSE FOR DISCIPLINE

24 (The Knowing Preparation of False Financial Information)

25 13. Respondent has subjected his license to disciplinary action for
26 unprofessional conduct under Code section 5100(j) for the knowing preparation, publication, or
27 dissemination of false, fraudulent, or materially misleading financial information when
28 Respondent prepared and submitted his Form 700, Statement of Economic Interests, containing

1 false financial information for the year 2001. The circumstances are set forth in paragraph 12
2 above, which is incorporated herein as though fully set forth.

3 PRAYER

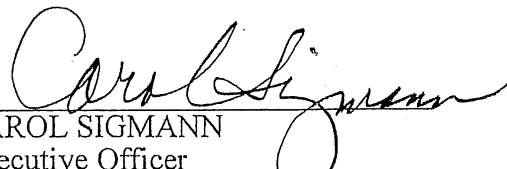
4 WHEREFORE, Complainant requests that a hearing be held on the matters herein
5 alleged and that following the hearing, the California Board of Accountancy issue a decision:

6 1. Revoking, suspending or otherwise imposing discipline upon Certified
7 Public Accountant Certificate Number 34130 issued to Jack Francis Van Haaster;

8 2. Ordering Jack Francis Van Haaster to pay the California Board of
9 Accountancy the reasonable costs of the investigation and enforcement of this case pursuant to
10 Business and Professions Code section 5107; and

11 3. Taking such other and further action as deemed necessary and proper.

12 DATED: June 25, 2008

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14 
15 CAROL SIGMANN
16 Executive Officer
17 California Board of Accountancy
18 Department of Consumer Affairs
19 State of California
20 Complainant
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